

EUROPEAN ECONOMY

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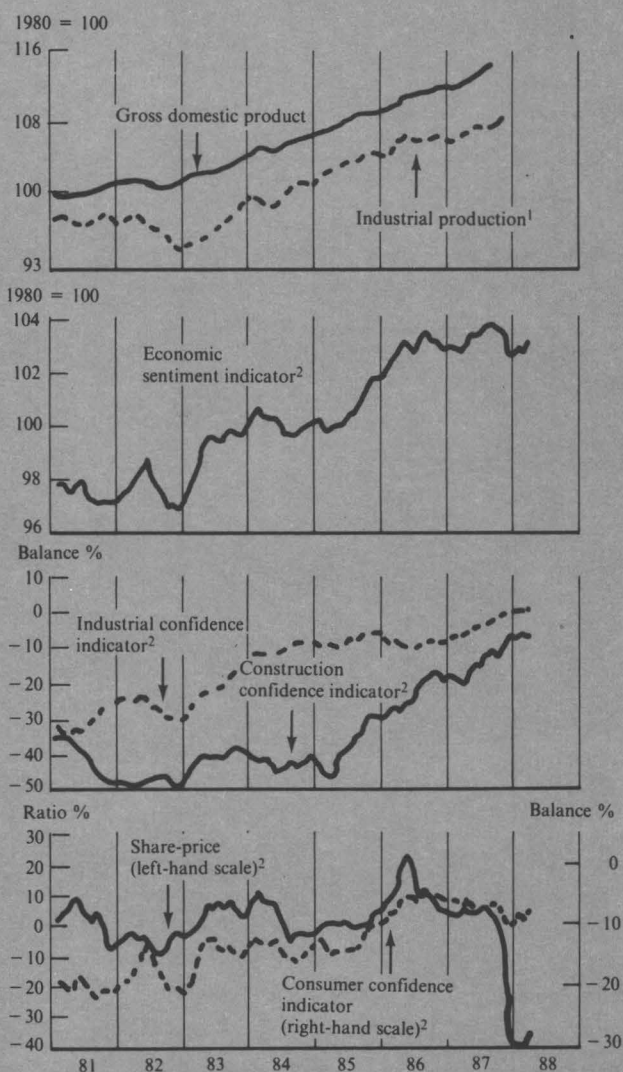
Business and consumer survey results

*In this number:
International indicators*

THE MAIN POINTS IN BRIEF

- Since the beginning of 1988, economic sentiment has strengthened in the industrialized countries. This is confirmed by the indicators for economic activity in the European Community, the United States and Japan, part of which are available up to March.
- However, world-wide there is less optimism about economic prospects in the next few months, as can be seen from the result of a survey carried out by the IFO-Institute, Munich, among 500 economic experts in over 50 countries.
- Domestic demand is still the driving force behind economic activity at Community level. With no change in the assessment of order-books and stocks, production expectations in industry have improved further. The results of a special survey in four major countries on the structure of investment and the factors influencing it provide additional indications that domestic demand is continuing to hold up.
- The firmer tone of the dollar since the beginning of 1988 has, on the other hand, led to a more favourable development of world trade and has strengthened export demand, so that the assessments of export orders in industry were again less pessimistic.
- The leading indicators for economic activity showed a marked rise in March in all the member countries except Italy and the Netherlands.

GRAPH 1: Indicators of output and economic sentiment — European Community

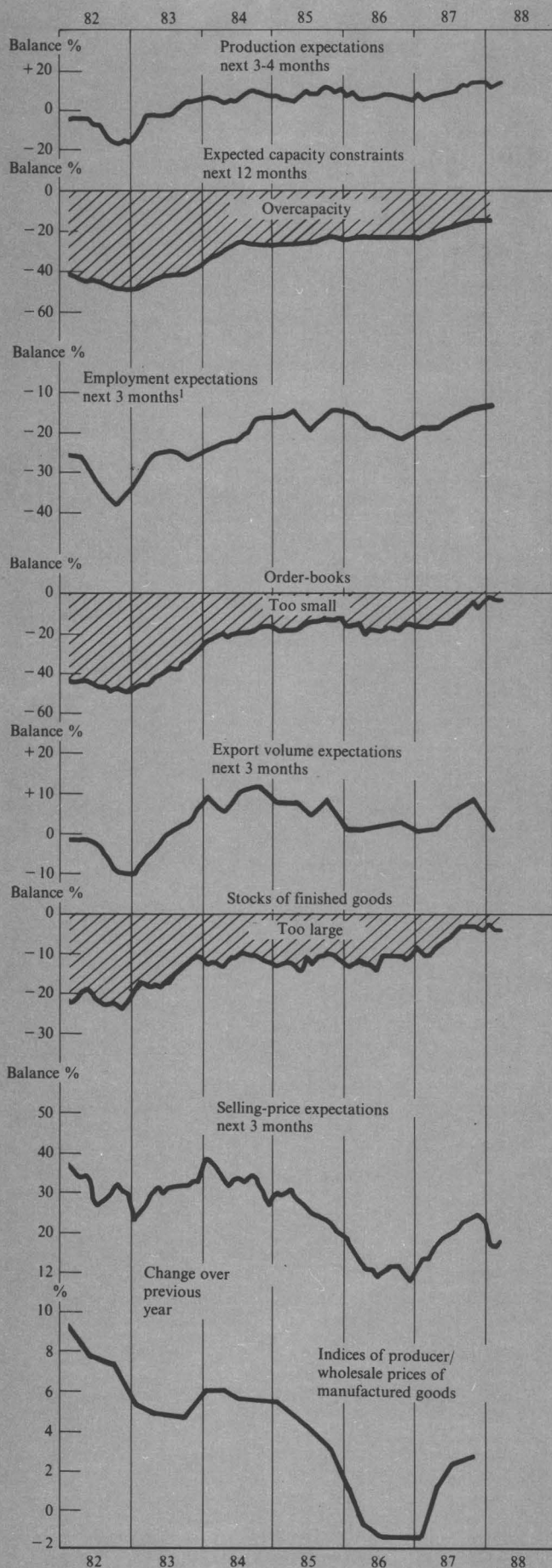


¹ Three-month moving average.

² See notes to Table 4.

³ Deviations from trend in %.

GRAPH 2: Indicators of output, demand and prices in industry — European Community



Quarterly data since 1982; before twice-yearly.

Economic sentiment strengthened in the industrialized countries at the beginning of 1988. — This is indicated by the results of the business surveys in the European Community, the answers of economic experts from the whole world questioned by the IFO-Institute, and the leading indicators available for economic activity in the major industrialized countries. These indicators and assessments, together with more favourable than expected economic activity in the first months of the year, again confirm that no signs of an economic downturn are discernible at the present time.

Community leading indicator improves in March. — In March, the composite leading indicator for the Community as a whole showed a marked improvement over February, climbing by 0.3 of a percentage point; this took it to its highest level since its sharp fall in November 1987. The improvement in the economic sentiment indicator was apparent in all the member countries, except Italy and the Netherlands. In those countries the indicator was slightly weaker in March than in February (see Table 4).

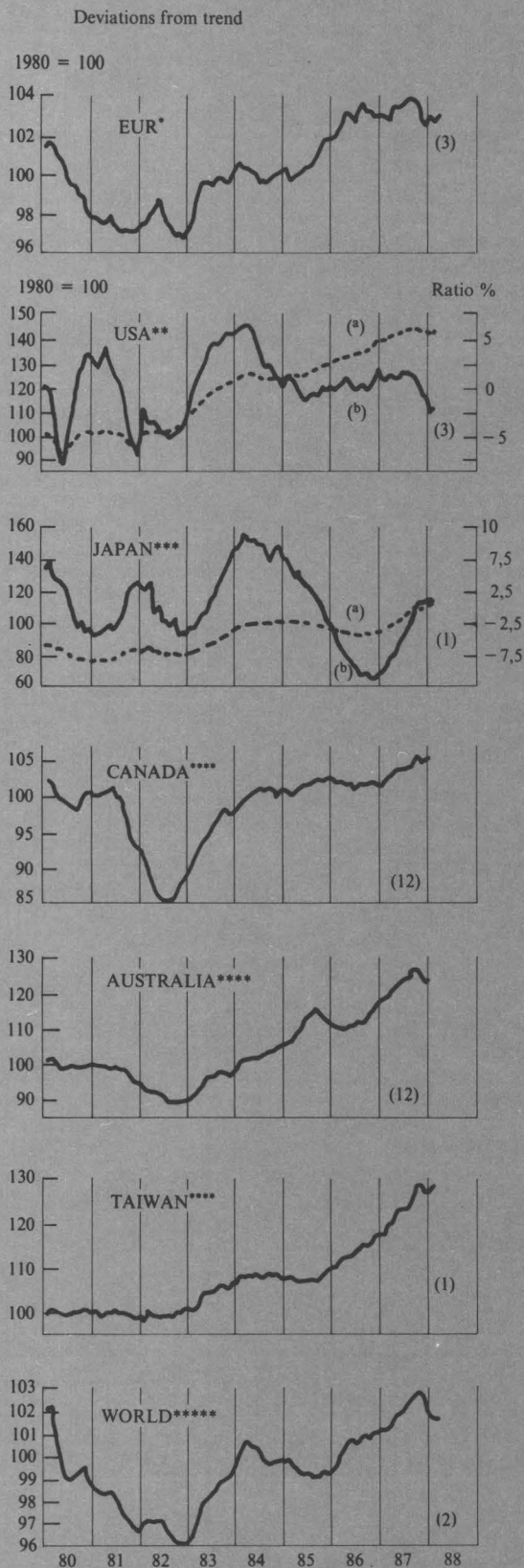
World economic situation stronger. — For the first time since the stock market crash, the *United States* leading indicator improved appreciably in February. In *Japan*, where in 1987 the leading indicator stayed at a higher level than the average for the previous year, it remained unchanged in January. The leading indicators for *Canada*, *Australia* and *Taiwan* also showed a rise recently. The 500 economic experts questioned in over 50 countries in connection with the IFO-Institute's *Economic Survey International* (ESI) also give a more positive assessment of the economic situation in the industrialized countries, the newly-industrializing countries and the developing countries in February 1988 than in the autumn of 1987. On the other hand the economic experts of the whole world are less optimistic about the economic prospects. The indicators for the world economic trend compiled from the leading indicators of the abovementioned industrialized and newly industrializing countries and from the experts' assessments (ESI) on the whole stabilized in February. Towards the end of 1987 it had still been showing a marked fall (see graphs 3 and 4).

The increase in consumer confidence and the firmer tone of share prices have had a favourable effect on the Community leading indicator. Industrial confidence remained stable. — As a Community average the industrial confidence indicator did not change in March in comparison with the previous month. This was chiefly due to the stable assessments of industrialists in most Community countries as to their order books and stocks. France and Greece were the only countries where, on balance, assessments of the level of order books and stocks were again more pessimistic in March than they had been in February.

With regard to expectations of production in the next few months, as a Community average, industrial companies were again more optimistic in March. However, industrialists in France and Greece do not share these expectations. The countries showed a fall in the, on balance, positive production expectations in March as compared with the previous month (see Table 5).

In March, the Community consumer confidence indicator climbed back to the January level after its February fall. This favourable change is mainly attributable to European consumers' optimism concerning the general economic situation in the next twelve months. Since November 1987 expectations have become less and less pessimistic. The more cheerful view of future economic developments is evident among consumers in all member countries except the Netherlands, where consumers' assessments are back to the low level of January 1988 and December 1987. Consumers' expectations of price rises over the next twelve months have again diminished. Their anxieties regarding rising unemployment have also become less acute (see Table 6).

GRAPH 3: International leading indicators



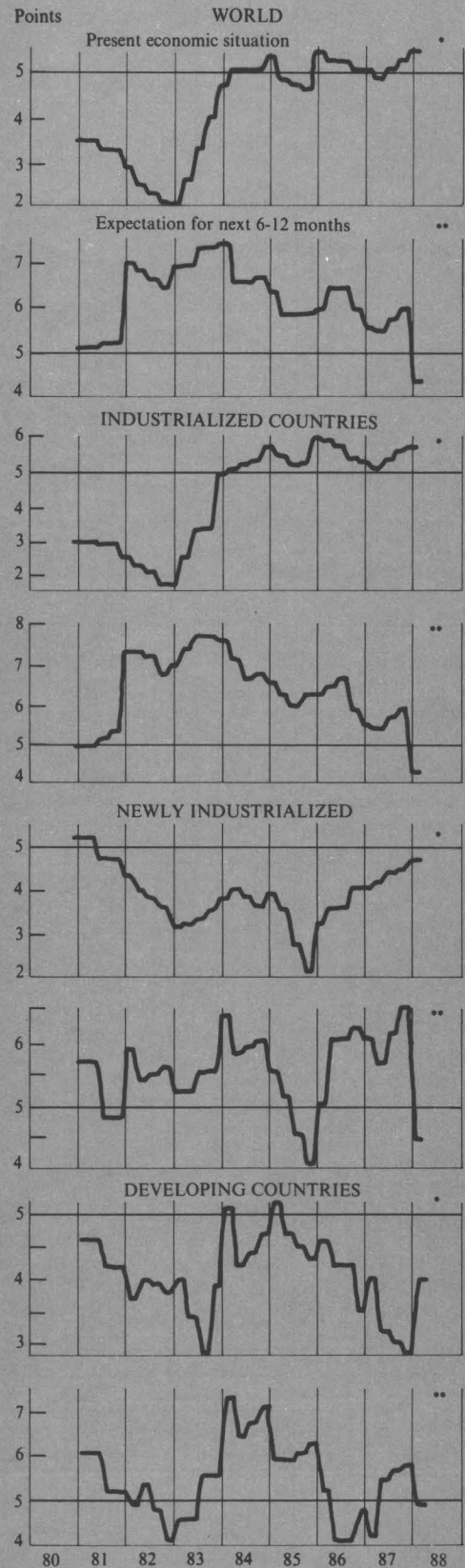
(a) Index 1980 = 100 (left-hand scale).

(b) Deviation from trend in % (right-hand scale).

Arabic number indicates last month for which data are available (*3' March).

Sources: * Commission of the European Communities; ** US Department of Commerce; *** Economic Planning Agency of the Japanese Government; **** Columbia University, New York; ***** Components of the composite leading world indicator are the 6 regional leading indicators presented in Graph 8 and the 4 series of the Economic Survey International for newly industrialized and developing countries (see Graph 9).

GRAPH 4: Economic survey international



The Economic Survey International has been conducted by the Ifo-Institute 3 times per year (February, June, September) and is based on the answers of about 500 economic experts in about 50 countries. The replies are «graded»: positive responses (+) receive a grade of 9, indifferent ones (=) a grade of 5 and negative ones (-) a grade of 1. Grades between 5 and 9 imply a preponderance of positive replies or increases, while grade between 5 and 1 indicate that negative replies or decreases predominated.

Source: Ifo-Institute for Economic Research, Munich.

Results of the 1988 special investment survey. — The most recent survey results on the trend of investment in four major member countries show that in France and Italy capital-widening investment will increase relatively in 1988 while in Germany and in the United Kingdom it will be kept at the level reached in 1987.

In all four countries an important factor influencing investment is the trend of demand which, in the view of companies, remains satisfactory (see Tables 1 and 2).

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TABLE 1: Factors influencing industrial investment (1987-1988) (Breakdown (%) of industrialists' views on the importance of each factor taken separately)

Factor	Very stimulating		Stimulating		No influence		Limiting		Very limiting		No answer	
	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988
D Demand	25	19	29	35	17	14	15	18	10	8	4	5
Financial resources or expected profits	14	13	29	25	34	35	11	15	7	7	5	5
Technical factors	25	26	41	41	25	24	1	1	0	0	8	8
Other factors	3	4	22	18	49	51	7	8	5	5	13	13
F Demand	29	30	52	48	13	8	12	9	1	1	1	2
Financial resources or expected profits	39	37	52	52	3	10	5	6	0	0	1	3
Technical factors	—	—	—	—	64	40	59	39	2	2	6	7
Other factors	5	6	43	43	41	46	41	7	6	3	3	5
I Demand	57	64	18	22	9	6	7	5	0	0	9	3
Financial resources or expected profits	17	26	52	48	15	16	3	2	0	0	13	8
Technical factors	23	25	30	42	3	3	23	13	11	12	10	6
Other factors	1	1	7	15	31	23	2	1	1	1	55	59
UK Demand	31	30	46	50	9	4	7	9	1	1	6	7
Financial resources or expected profits	24	22	41	42	10	8	16	20	5	4	4	5
Technical factors	11	11	58	60	14	12	6	6	2	1	9	11
Other factors	2	2	8	10	17	19	11	7	1	1	61	61

TABLE 2: Structure of industrial investment (1986-1988) (Breakdown of industrialists' views of the type of investment undertaken in each sector)

Sector	Replacement			Extension			Rationalization			Other		
	1986	1987	1988	1986	1987	1988	1986	1987	1988	1986	1987	1988
D Basic materials industries	29	28	26	18	17	17	35	32	33	18	23	24
Metal working industries	16	19	24	27	25	22	42	37	40	15	19	13
Equipment goods	18	18	18	27	27	25	21	21	22	34	34	35
Processing industries	29	26	30	35	37	33	29	30	31	8	7	7
Extractive industries	72	74	72	5	4	4	9	8	9	13	13	15
Food industries	43	43	40	20	20	22	25	27	27	13	10	11
Industry as a whole	25	25	25	26	26	25	25	24	25	25	25	26
F Basic materials industries	28	30	25	33	27	38	39	44	31	—	—	6
Metal working industries	38	33	36	16	8	8	47	59	50	—	—	6
Equipment goods	23	23	26	39	37	38	38	40	35	—	—	1
Processing industries	26	28	32	34	31	33	40	41	33	—	—	2
Extractive industries	49	52	46	14	5	11	37	43	26	—	—	13
Food industries	29	31	33	25	31	30	46	38	31	—	—	6
Industry as a whole	29	29	29	31	28	32	40	43	35	—	—	4
I Basic materials industries	—	28	25	—	25	30	—	33	30	—	14	15
Metal working industries	—	27	23	—	3	10	—	61	59	—	9	8
Equipment goods	—	27	26	—	22	22	—	44	46	—	7	6
Processing industries	—	41	33	—	19	27	—	31	32	—	9	8
Extractive industries	—	52	50	—	16	12	—	15	11	—	17	27
Food industries	—	27	27	—	33	32	—	33	32	—	7	8
Industry as a whole	—	29	27	—	21	24	—	41	41	—	9	8
UK Basic materials industries	29	26	22	25	28	28	32	34	32	14	12	17
Metal working industries	37	31	28	7	9	14	31	35	39	25	25	19
Equipment goods	29	29	30	22	25	26	30	29	27	19	17	16
Processing industries	29	27	26	31	32	34	19	21	20	20	20	20
Food industries	29	24	17	16	18	21	31	38	43	24	20	19
Industry as a whole	29	27	26	23	25	27	28	29	29	19	18	19

Source: European Community business surveys.

TABLE 3: Monthly survey of manufacturing industry — Monthly questions and the composite industrial confidence indicator (a)
Balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

		Ranges (b)				1987	1987		1988	1987			1988		
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83		III	IV	I	Oct	Nov.	Dec.	Jan.	Feb.	March
E	production expectations	:	:	46	-48	:	6	2	:	-6	0	11	22	13	16
	order-books	26	-45	:	:	:	-12	-13	:	-12	-15	-12	-6	-9	-12
	export order-books(c)	:	:	:	:	:	:	-29	:	-30	-32	-25	-26	-31	-28
	stocks of finished products	-17	24	15	35	:	9	13	:	12	13	13	11	12	9
	selling-price expectations(c)	:	:	:	:	:	:	17	:	13	17	20	25	15	13
	industrial confidence indicator	:	:	:	:	:	-5	-8	:	-10	-9	-5	2	-3	-2
P	production expectations	:	:	30	-13	19	24	17	10	11	21	20	13	10	8
	order-books	:	:	3	-35	4	6	1	-5	-3	4	3	-4	-6	-6
	export order-books	:	:	4	-35	2	3	-1	-6	3	-1	-5	-7	-5	-7
	stocks of finished products	:	:	1	26	-5	-4	-3	4	-3	-2	-3	3	6	3
	selling-price expectations(c)	:	:	:	:	23	20	28	27	25	26	32	35	25	20
	industrial confidence indicator	:	:	11	-25	9	11	7	0	4	9	9	2	-1	0

(a) The indicator is an average of the responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

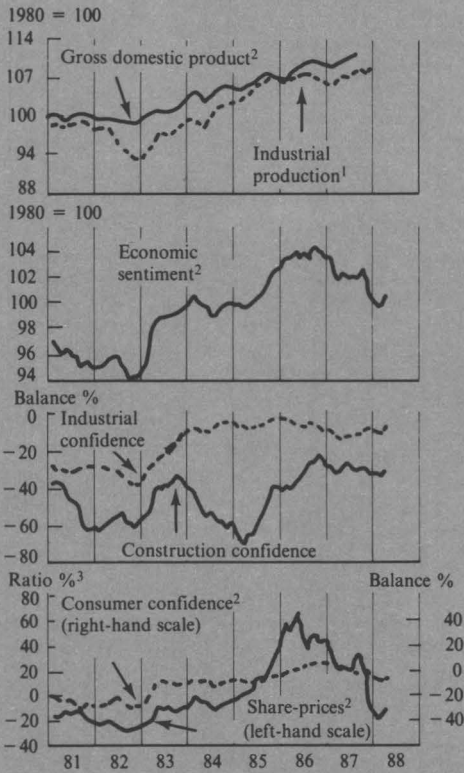
(b) These are the extreme (high and low) values of the balances of the different questions, reached in the course of 1972-1975 and 1979-1983, respectively.

(c) n.s.a. figures.

Note: (s.a.) = seasonally adjusted. : = not available. () = estimated. Source: European Community business surveys.

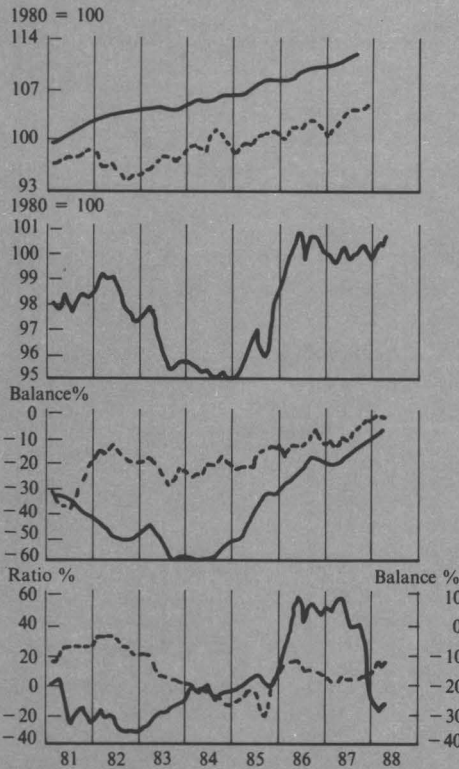
GRAPH 5-10: Indicators of output and economic sentiment

GRAPH 5: Federal Republic of Germany



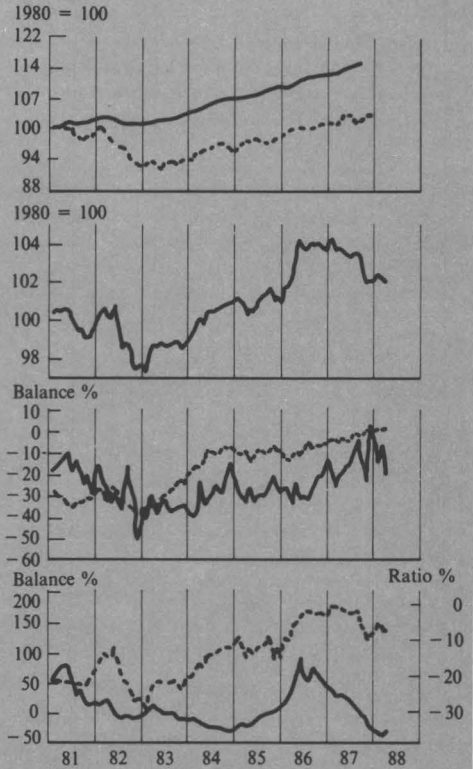
- ¹ Three-month moving average.
² See notes to Table 4.
³ Deviations from trend in %.

GRAPH 6: France



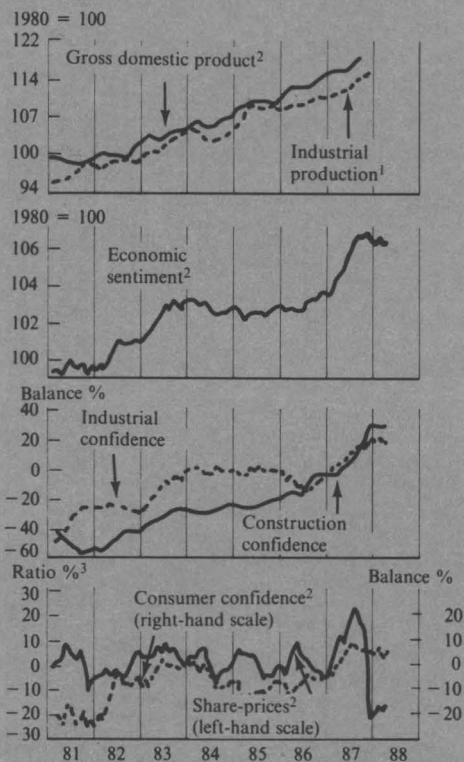
For explanations, see Graph 5.

GRAPH 7: Italy



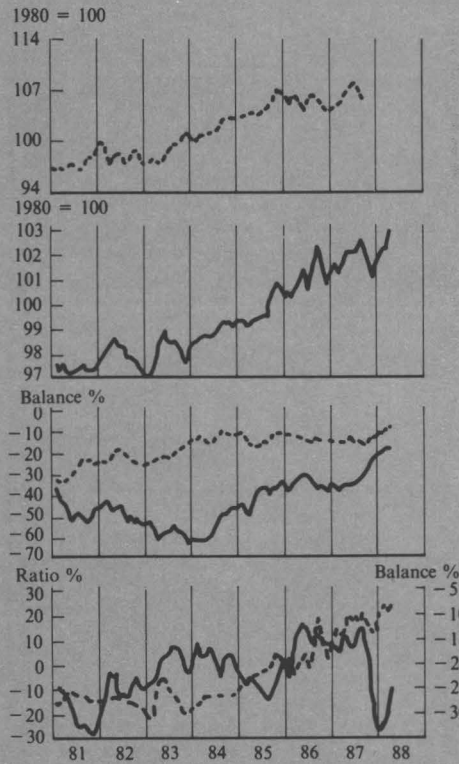
For explanations, see Graph 5.

GRAPH 8: United Kingdom



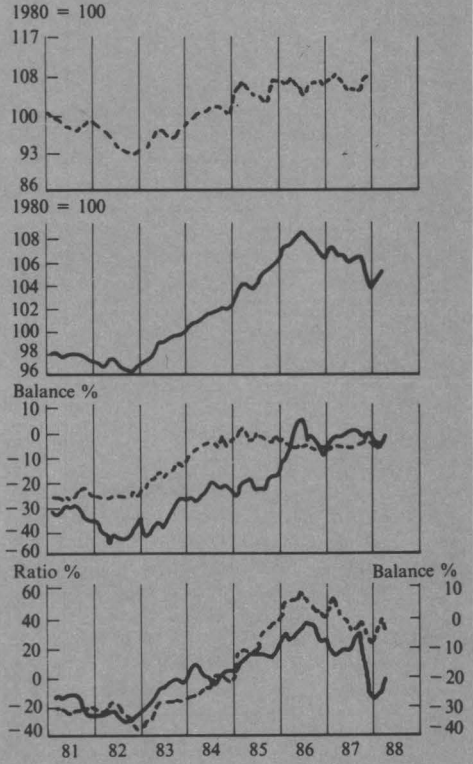
- ¹ Three-month moving average.
² See notes to Table 4.
³ Deviations from trend in %.

GRAPH 9: Belgium



For explanations, see Graph 8.

GRAPH 10: Netherlands



For explanations, see Graph 8.

TABLE 4: Indicators of output and economic sentiment

		Ranges (b)				1987	1987		1988	1987			1988		
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83		III	IV	I	Oct.	Nov.	Dec.	Jan.	Feb.	March
B	<i>gross domestic product</i> 1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	102,5	76,5	106,3	92,4	:	104,5	:	:	:	:	:	:	:	:
	1. industrial confidence indicator	19	-56	-4	-35	-14	-16	-12	-10	-12	-13	-11	-11	-10	-9
	2. construction confidence indicator	9	-36	-7	-65	-32	-32	-22	-19	-25	-22	-20	-20	-19	-19
	3. consumer confidence indicator (c)	7	-18	-7	-31	-12	-11	-12	-9	-13	-14	-10	-8	-10	-9
	4. share-price index (c)	155,1	98,0	114,3	75,0	318,2	361,9	271,9	302,9	297,4	266,1	252,1	263,1	303,7	341,9
	= 5. economic sentiment indicator	109,0	98,9	103,9	96,8	101,6	101,8	101,1	101,9	101,2	100,7	101,4	101,7	101,8	102,3
DK	<i>gross domestic product</i> 1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	:	:	107,7	95,5	:	121,9	:	:	117,1	119,7	:	:	:	:
	1. industrial confidence indicator	:	:	:	-22	-7	-6	-7	-3	-7	(-7)	(-7)	-3	(-3)	(-3)
	2. construction confidence indicator	:	:	:	-36	1	-8	-1	2	-1	(-1)	(-1)	2	(2)	(2)
	3. consumer confidence indicator (c)	:	-16	5	-22	-10	-9	-13	-16	-8	-11	-19	-13	-16	-18
	4. share-price index (c)	:	:	:	:	351,8	362,4	315,4	328,3	319,0	316,6	310,6	316,6	329,9	338,3
	= 5. economic sentiment indicator	:	:	:	:	101,2	101,1	100,8	:	100,9	100,8	100,7	101,0	101,1	:
D	<i>gross domestic product</i> (b) 1980=100	85,1	83,3	101,2	98,9	:	111,6	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	92,0	82,4	103,1	91,4	107,2	107,6	108,4	:	108,1	108,2	108,8	:	:	:
	1. industrial confidence indicator	10	-49	2	-40	-12	-12	-9	-10	-9	-8	-9	-11	-10	-8
	2. construction confidence indicator	-4	-72	11	-64	-30	-31	-32	-32	-30	-33	-33	-33	-33	-30
	3. consumer confidence indicator (c)	:	-22	9	-31	-1	-1	-4	-8	-1	-5	-7	-8	-8	-7
	4. share-price index (c)	109,0	75,2	115,6	97,6	257,5	285,6	220,4	197,0	263,0	202,6	195,7	187,5	195,3	208,1
	= 5. economic sentiment indicator	103,8	97,0	103,6	94,7	101,7	102,0	100,8	99,9	101,9	100,5	100,0	99,7	99,8	100,3
F	<i>gross domestic product</i> 1980=100	85,4	84,2	99,8	102,4	:	112,6	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	96,7	82,2	105,2	94,8	103,6	104,3	105,0	:	105,0	105,0	105,0	:	:	:
	1. industrial confidence indicator	29	-49	5	-39	-8	-6	-2	-1	-2	-4	-1	0	-1	-2
	2. construction confidence indicator	:	:	-17	-57	-16	-14	-11	-7	-11	(-11)	(-11)	-7	(-7)	(-7)
	3. consumer confidence indicator (c)	:	-9	3	-27	-18	-18	-16	-12	-17	-16	-16	-12	-13	-12
	4. share-price index (c)	86,6	53,6	101,2	82,7	367,1	386,8	295,1	268,6	340,1	277,6	267,6	254,4	269,6	281,7
	= 5. economic sentiment indicator	107,8	97,6	101,8	95,1	99,9	100,2	99,9	100,5	100,2	99,7	99,8	100,5	100,4	100,7
IRL	<i>gross domestic product</i> 1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	80,4	72,3	103,8	99,6	:	145,4	:	:	150,2	153,5	:	:	:	:
	1. industrial confidence indicator	:	-41	20	-40	-2	-2	-6	-6	-5	-5	-9	-7	-7	-5
	2. construction confidence indicator	:	:	:	:	-31	-31	-29	-14	-29	(-29)	(-29)	-14	(-14)	(-14)
	3. consumer confidence indicator (c)	:	-41	12	-44	-29	-29	-29	-22	-27	-31	-28	-21	-24	-20
	4. share-price index (c)	85,8	29,9	112,2	79,4	333,9	377,4	326,3	:	424,3	301,7	252,8	257,1	294,4	:
	= 5. economic sentiment indicator	109,1	96,7	103,6	98,1	100,9	101,1	100,7	101,5	101,6	100,2	100,2	101,2	101,1	102,2
I	<i>gross domestic product</i> 1980=100	80,4	77,2	101,2	98,2	:	115,0	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	87,9	72,6	104,7	98,1	102,3	101,8	104,0	:	104,6	104,0	103,3	:	:	:
	1. industrial confidence indicator	31	-59	13	-41	-2	-1	1	1	2	0	1	1	1	2
	2. construction confidence indicator	-8	-56	-5	-51	-15	-11	-10	-13	-25	2	-6	-14	-6	-20
	3. consumer confidence indicator (c)	:	-39	-12	-30	-4	-4	-9	-6	-10	-9	-8	-5	-6	-7
	4. share-price index (c)	169,6	68,5	185,0	116,9	644,5	638,5	536,1	480,6	612,8	499,6	495,8	478,7	453,6	509,6
	= 5. economic sentiment indicator	103,8	97,4	101,6	97,6	103,2	103,2	102,0	102,2	102,0	102,1	102,1	102,3	102,2	102,0
NL	<i>gross domestic product</i> 1980=100	:	:	:	:	:	:	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	94,8	87,1	117,5	90,7	106,8	105,0	107,3	:	106,0	111,0	105,0	:	:	:
	1. industrial confidence indicator	12	-44	4	-31	-5	-5	-4	-5	-4	-4	-4	-5	-5	-4
	2. construction confidence indicator	3	-47	3	-46	-2	0	-2	-4	-3	0	-4	-4	-6	-2
	3. consumer confidence indicator (c)	6	-15	5	-37	-2	-3	-8	-2	-7	-9	-8	-3	0	-4
	4. share-price index (c)	:	86,3	122,8	92,8	350,0	400,1	296,0	294,7	346,0	276,0	266,1	275,8	288,5	319,9
	= 5. economic sentiment indicator	107,8	100,7	105,3	97,1	106,1	106,5	104,3	104,9	105,1	104,0	103,8	104,6	105,1	105,0
UK	<i>gross domestic product</i> 1980=100	94,6	91,0	102,5	97,7	:	118,6	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	92,7	89,6	110,0	93,8	113,2	114,0	115,4	:	115,2	115,2	115,9	:	:	:
	1. industrial confidence indicator	:	:	9	-60	11	14	19	19	19	20	17	21	18	17
	2. construction confidence indicator	:	:	7	-60	12	15	30	29	30	(30)	(30)	29	(29)	(29)
	3. consumer confidence indicator (c)	:	-33	14	-26	5	7	5	5	8	5	3	7	3	5
	4. share-price index (c)	78,5	23,3	111,6	104,4	397,0	453,2	353,2	351,9	413,7	319,8	326,2	347,6	347,1	361,0
	= 5. economic sentiment indicator	103,8	97,7	104,9	98,8	105,6	106,4	106,3	106,2	106,7	106,2	105,9	106,4	106,0	106,1
EUR	<i>gross domestic product</i> (a)(b) 1980=100	85,1	85,5	101,1	101,0	:	114,3	:	:	:	:	:	:	:	:
	<i>index of industrial production</i>	92,9	83,0	103,2	94,6	107,1	107,1	108,7	:	108,4	109,2	108,6	:	:	:
	1. industrial confidence indicator	16	-49	3	-36	-3	-3	0	0	0	0	0	1	0	0
	2. construction confidence indicator	:	:	-1	-48	-14	-12	-8	-7	-9	(-7)	(-8)	-7	(-7)	(-7)
	3. consumer confidence indicator (c)	5	-17	1	-22	-6	-5	-7	-6	-6	-8	-8	-6	-7	-6
	4. share-price index (c)	:	47,0	115,4	111,7	364,4	402,3	314,4	303,3	364,4	290,6	288,3	293,6	299,5	316,8
	= 5. economic sentiment indicator	107,5	96,6	104,1	97,4	103,3	103,9	102,9	102,9	103,6	102,6	102,5	102,9	102,7	103,0

(a) Weighted total of quarterly figures for the Federal Republic of Germany, France, Italy and the UK.

(b) For the Federal Republic of Germany, gross national product for quarterly data.

(c) Not seasonally adjusted.

TABLE 5: **Monthly survey of manufacturing industry** — Monthly questions and the composite industrial confidence indicator (a)
Balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

		Ranges (b)				1987	1987		1988	1987			1988		
		Peak 1972/73	Trough 1974/75	Peak 1979/80	Trough 1981/83		III	IV	I	Oct	Nov.	Dec.	Jan.	Feb.	March
B	production expectations	+31	-56	-4	-37	-8	-10	-2	-7	-4	-3	+1	-10	-6	-6
	order-books	+13	-74	-14	-49	-28	-29	-25	-18	-25	-27	-24	-23	-17	-15
	export order-books	+15	-82	-19	-55	-30	-31	-28	-22	-29	-29	-27	-25	-21	-20
	stocks of finished products	-14	+37	+2	+18	+8	+9	+9	+4	+8	+9	+9	+1	+6	+6
	selling-price expectations	+64	-10	+39	+12	+5	+7	+11	+8	+10	+10	+12	+6	+6	+11
	industrial confidence indicator	+19	-56	-4	-35	-14	-16	-12	-10	-12	-13	-11	-11	-10	-9
DK	production expectations	:	:	:	+8	0	+6	+0	+1	0	:	:	+1	:	:
	order-books	:	:	:	-34	-15	-16	-17	-10	-17	:	:	-10	:	:
	export order-books	:	:	:	+14	-12	-10	-7	+1	-7	:	:	+1	:	:
	stocks of finished products	:	:	:	+24	+11	+8	+5	-1	+5	:	:	-1	:	:
	industrial confidence indicator	:	:	:	-22	-7	-6	-7	-3	-7	:	:	-3	:	:
D	production expectations	+17	-32	+10	-30	-1	0	+3	-1	+4	+4	+2	-5	-1	+3
	order-books	+5	-73	-6	-59	-23	-24	-22	-20	-22	-21	-22	-20	-21	-19
	export order-books	:	:	-14	-50	-31	-29	-28	-25	-28	-28	-27	-26	-24	-24
	stocks of finished products	-7	+43	-2	+31	+10	+10	+8	+7	+9	+8	+8	+7	+8	+7
	selling-price expectations	+55	+4	+38	+4	+13	+16	+19	+12	+21	+19	+17	+9	+12	+16
	industrial confidence indicator	+10	-49	+2	-40	-12	-12	-9	-10	-9	-8	-9	-11	-10	-8
GR	production expectations	:	:	:	:	+16	+24	+16	+22	+18	+14	+16	+22	+27	+18
	order-books	:	:	:	:	-23	-20	-23	-20	-20	-21	-27	-22	-18	-21
	export order-books	:	:	:	:	-26	-26	-21	-18	-19	-17	-26	-16	-17	-20
	stocks of finished products	:	:	:	:	+11	+11	+14	+18	+9	+11	+21	+18	+18	+17
	selling-price expectations	:	:	:	:	+23	+25	+21	+25	+20	+17	+25	+24	+21	+30
	industrial confidence indicator	:	:	:	:	-6	-2	-7	-5	-4	-6	-11	-6	-3	-7
F	production expectations	+33	-29	+18	-20	+4	+3	+9	+7	+10	+6	+10	+7	+8	+6
	order-books	+26	-69	0	-56	-18	-16	-11	-5	-12	-13	-8	-5	-3	-6
	export order-books	+24	-66	+10	-52	-22	-18	-10	-2	-14	-7	-10	-5	-3	+1
	stocks of finished products	-14	+50	+3	+42	+8	+5	+4	+6	+4	+4	+5	+3	+9	+5
	selling-price expectations	+76	+15	+62	+17	+16	+22	+17	+13	+16	+16	+18	+14	+12	+12
	industrial confidence indicator	+29	-49	+5	-39	-8	-6	-2	-1	-2	-4	-1	0	-1	-2
IRL	production expectations	:	-21	+40	-33	+9	+4	-4	-3	-5	-4	-4	-7	0	-1
	order-books	:	-68	+18	-55	-11	-7	-10	-12	-6	-8	-17	-10	-15	-10
	stocks of finished products	:	+35	-6	+33	+5	+4	+5	+4	+3	+4	+7	+3	+5	+3
	selling-price expectations	:	+64	+77	+20	+9	+11	+9	+3	+8	+12	+6	+5	0	+4
	industrial confidence indicator	:	-41	+20	-40	-2	-2	-6	-6	-5	-5	-9	-7	-7	-5
I	production expectations	+40	-43	+24	+26	+11	+11	+13	+11	+13	+14	+11	+11	+11	+12
	order-books	+30	-82	+7	-66	-10	-10	-6	-2	-4	-10	-4	-2	-3	-1
	export order-books	+13	-67	-6	-59	-25	-27	-24	-20	-27	-21	-25	-22	-19	-19
	stocks of finished products	-24	+53	-8	+32	+7	+5	+4	+5	+4	+4	+4	+5	+4	+6
	selling-price expectations	+76	+10	+87	+37	+18	+21	+27	+18	+25	+28	+28	+18	+17	+19
	industrial confidence indicator	+31	-59	+13	-41	-2	-1	+1	+1	+2	0	+1	+1	+1	+2
L	production expectations	+84	-80	+40	-66	-13	-2	+8	+6	+2	+5	+17	+3	+6	+8
	order-books	:	:	+8	-70	-40	-47	-34	-5	-48	-43	-11	-10	-2	-4
	export order-books	:	:	+9	-80	-52	-60	-32	-16	-47	-39	-9	-17	-16	-16
	stocks of finished products	-14	+74	0	+58	0	+1	+1	-3	+1	+1	+1	-4	-2	-4
	selling-price expectations	:	-46	+74	-38	+18	+38	+60	+56	+52	+62	+66	+48	+52	+68
	industrial confidence indicator	:	:	+16	-65	-18	-17	-9	+1	-16	-13	+2	-1	+2	+3
NL	production expectations	+26	-26	+20	-13	+3	+2	+4	0	+5	+3	+3	0	+1	0
	order-books	+7	-48	-5	-42	-14	-14	-13	-11	-13	-11	-14	-11	-11	-10
	stocks of finished products	-3	+57	+3	+39	+4	+3	+3	+4	+3	+3	+2	+4	+4	+3
	industrial confidence indicator	+12	-44	+4	-31	-5	-5	-4	-5	-4	-4	-4	-5	-5	-4
UK	production expectations	:	:	+29	-52	+30	+34	+35	+33	+31	+40	+35	+34	+32	+32
	order-books	:	:	-2	-85	+5	+9	+16	+21	+17	+13	+18	+26	+19	+18
	export order-books	:	:	-11	-72	+1	+10	+8	+10	+9	+11	+5	+12	+10	+7
	stocks of finished products	:	:	-1	+42	+2	-1	-5	-2	-8	-8	+2	-4	-3	0
	selling-price expectations	:	:	+70	+7	+26	+26	+28	+27	+26	+30	+28	+30	+28	+23
	industrial confidence indicator	:	:	+9	-60	+11	+14	+19	+19	+19	+20	+17	+21	+18	+17
EUR	production expectations	+24	-30	+15	-24	+9	+10	+12	+10	+12	+13	+12	+9	+10	+11
	order-books	+15	-70	-7	-56	-13	-12	-8	-5	-8	-10	-7	-4	-5	-5
	export order-books	:	:	-12	-50	-25	-23	-20	-14	-21	-18	-20	-16	-13	-12
	stocks of finished products	-10	+48	-1	+31	+7	+6	+4	+4	+4	+4	+5	+3	+5	+5
	selling-price expectations	+64	+9	+53	+22	+18	+21	+23	+16	+23	+24	+22	+16	+16	+17
	industrial confidence indicator	+16	-49	+2	-36	-3	-3	0	0	0	0	0	+1	0	0

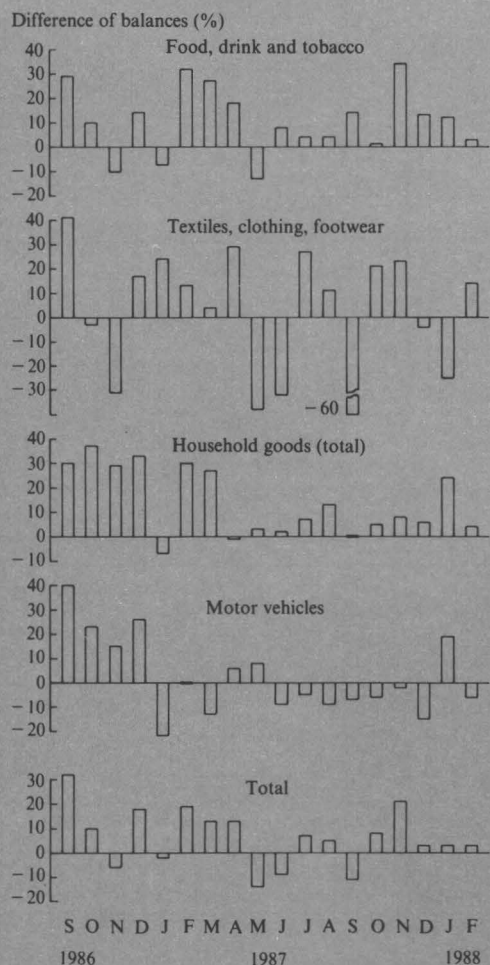
(a) The indicator is an average of the responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

(b) These are the extreme (high and low) values of the balances of the different questions, reached in the course of 1972-1975 and 1979-1983, respectively.

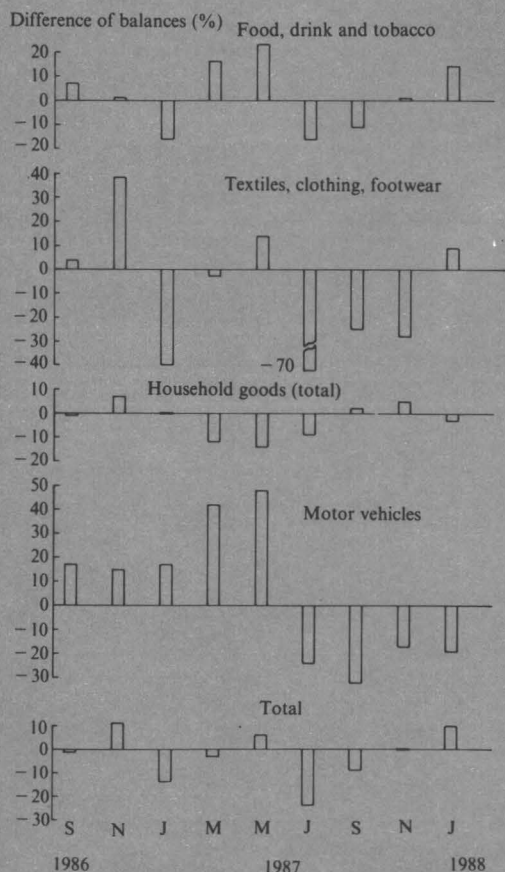
Note: (s.a.) = seasonally adjusted. : = not available. () = estimated. Source: European Community business surveys.

GRAPH 11-15: Present business situation in the retail trade in 1986, 1987 and 1988 as compared with the situation in the corresponding month of the

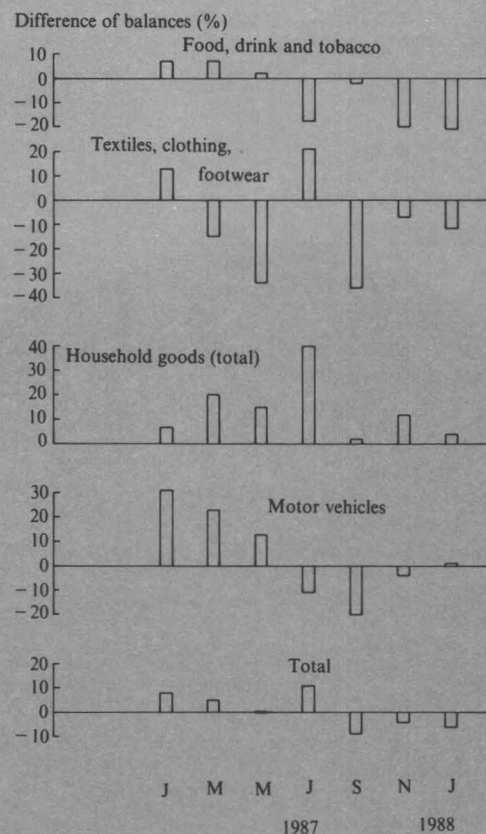
GRAPH 11: Federal Republic of Germany



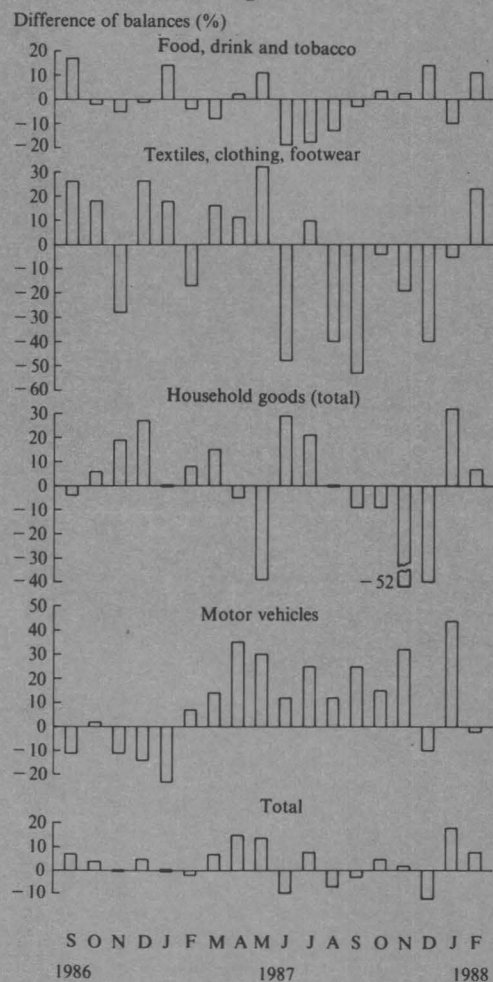
GRAPH 13: France



GRAPH 12: Italy

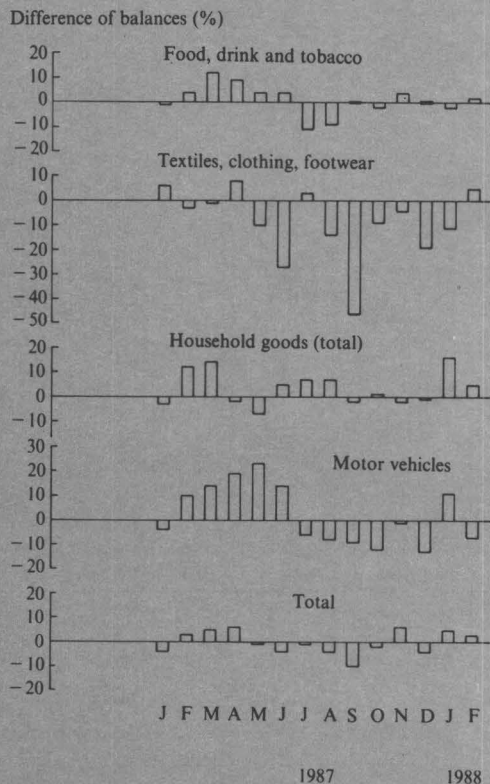


GRAPH 14: United-Kingdom



preceding year (difference of balances) ⁽¹⁾

GRAPH 15: European Community (EUR 6)⁽²⁾

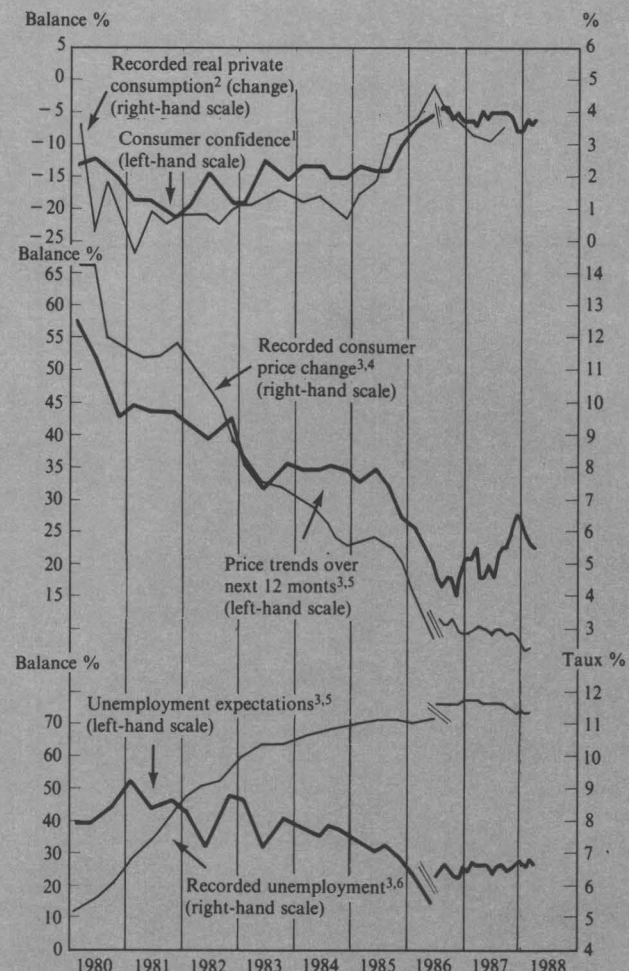


⁽¹⁾ I.e. difference between the percentages of positive and negative replies in month t of year T minus the difference in month t of year (T-1)

⁽²⁾ B, D, F, I, NL, UK.

Source: EC survey in the retail trade.

GRAPH 16: Consumer survey results and objective economic indicators — European Community⁷



For notes, Table 6.

Sources: European Community consumer survey and Eurostat.

TABLE 6: Consumer opinion on economic and financial conditions^(a)

		1979	1980	1981	1982	1983	1984	1985	1986	1987	1987						1988		
											July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March
CONSUMER CONFIDENCE INDICATOR ^(b)	B	-10	-20	-27	-27	-28	-27	-21	-17	-12	-12	-9	-12	-13	-14	-10	-8	-10	-9
	DK	-2	-19	-17	-12	0	6	4	-3	-10	-	-9	-7	-8	-11	-19	-13	-16	-18
	D	6	-5	-22	-26	-15	-10	-7	3	-1	-1	-4	1	-1	-5	-7	-8	-8	-7
	GR	:	:	:	0	-11	-4	-5	-20	-29	-30	-28	-27	-29	-29	-28	-22	-20	-20
	E	:	:	:	:	:	:	:	-9	-8	-4	-3	-3	-6	-8	-9	-7	-8	-6
	F ^(d)	-5	-10	-9	-5	-15	-23	-21	-14	-18	-18	:	-17	-17	-16	-16	-12	-13	-12
	IRL	-10	-22	-28	-34	-39	-33	-29	-28	-29	-29	-29	-30	-27	-31	-28	-21	-24	-20
	I	-17	-22	-22	-18	-24	-15	-12	-4	-4	-2	:	-7	-10	-9	-8	-5	-6	-7
	NL	-8	-25	-31	-32	-30	-22	-7	5	-2	-5	-4	-1	-7	-9	-8	-3	0	-4
	P	:	:	:	:	:	:	:	-7	0	5	3	1	5	4	1	-5	-5	-6
	UK	-4	-18	-21	-12	-3	-4	-10	-7	5	9	8	5	8	5	3	7	3	5
EUR ^(c)		-3	-13	-19	-17	-15	-14	-12	-6	-6	-5	-5	-5	-6	-8	-8	-6	-7	-6
FINANCIAL SITUATION OF HOUSEHOLDS	B	-11	-15	-19	-25	-29	-31	-23	-14	-9	-8	-7	-8	-8	-10	-10	-7	-7	-5
	DK	1	-10	-12	-7	-4	-2	-3	-2	-1	:	1	1	-2	1	-4	-5	-5	-8
	D	2	-4	-16	-18	-14	-11	-8	1	1	1	-1	3	2	1	0	1	-2	-1
	GR	:	:	:	-2	-13	-8	-8	-24	-31	-34	-31	-29	-31	-33	-30	-23	-23	-19
	E	:	:	:	:	:	:	:	-10	-9	-8	-6	-7	-9	-10	-10	-8	-7	-6
	F ^(d)	-4	-7	-8	-7	-11	-15	-13	-11	-14	-14	:	-13	-13	-14	-14	-11	-10	-12
	IRL	-21	-32	-38	-41	-43	-42	-37	-34	-31	-31	-33	-30	-28	-30	-28	-23	-27	-28
	I	-13	-14	-14	-13	-15	-12	-10	-6	-4	-4	:	-4	-5	-5	-4	-3	-3	-5
	NL	1	-9	-18	-20	-28	-26	-17	-3	0	-1	-1	0	0	3	0	4	3	2
	P	:	:	:	:	:	:	:	-8	-2	2	0	-4	-1	-1	-2	-4	-3	-4
	UK	-11	-24	-30	-27	-15	-15	-16	-13	-5	-1	-1	-4	-1	-3	-3	-5	-7	-5
EUR ^(c)		-5	-11	-17	-16	-15	-15	-12	-8	-6	-5	-5	-5	-5	-6	-6	-5	-6	-6

— over last 12 months

TABLE 6 (continued): Consumer opinion on economic and financial conditions(a)

		1979	1980	1981	1982	1983	1984	1985	1986	1987	1987						1988			
											July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	
FINANCIAL SITUATION OF HOUSEHOLDS (cont.)	B	-3	-6	-9	-12	-15	-18	-13	-5	-1	-1	0	-1	-1	-1	1	2	1	2	
	DK	3	-8	-4	-2	0	3	3	2	2	:	3	4	3	2	-2	0	3	-1	
	D	2	-3	-12	-14	-9	-6	-4	2	1	1	0	3	1	-1	-1	-1	-1	0	
	GR	:	:	:	15	0	6	2	-12	-21	-24	-24	-21	-22	-22	-21	-12	-10	-14	
	E	:	:	:	:	:	:	:	3	2	3	6	4	1	0	0	3	4	3	
	F (d)	0	-2	0	0	-4	-7	-3	-2	-4	-5	:	-3	-3	-3	-2	0	0	0	
	IRL	-13	-19	-24	-23	-26	-22	:	-15	-15	-17	-18	-17	-14	-17	-15	-10	-13	-13	
	I	-7	-10	-8	-6	-8	-3	-2	1	2	2	:	1	-2	1	1	2	2	0	
	NL	1	-9	-13	-14	-21	-17	-6	2	2	0	-2	3	3	0	1	4	5	1	
	P	:	:	:	:	:	:	:	2	5	10	5	4	8	11	6	3	4	2	
UK	-1	-13	-15	-9	-2	-3	-5	-3	4	4	6	3	5	2	1	4	1	2		
— over next 12 months		EUR (c)	0	-6	-9	-8	-7	-6	-4	0	0	1	1	0	-1	-1	1	1	1	
GENERAL ECONOMIC SITUATION	B	-44	-58	-69	-68	-62	-57	-33	-29	-20	-20	-18	-18	-22	-25	-22	-21	-25	-22	
	DK	-34	-56	-47	-42	-4	4	2	-10	-22	:	-22	-13	-17	-24	-37	-32	-33	-30	
	D	3	-18	-46	-51	-29	-14	-11	7	-2	-4	-6	-1	-2	-11	-14	-18	-19	-17	
	GR	:	:	:	-2	-11	-4	-10	-28	-34	-34	-34	-32	-33	-33	-34	-26	-22	-20	
	E	:	:	:	:	:	:	:	-15	-18	-16	-13	-11	-8	-15	-16	-17	-13	-13	
	F (d)	-27	-39	-37	-28	-41	-54	-52	-34	-39	-38	:	-37	-38	-37	-38	-32	-32	-31	
	IRL	-35	-56	-66	-74	-77	-65	-61	-58	-58	-58	-53	-58	-50	-56	-55	-45	-43	-38	
	I	-43	-57	-60	-51	-57	-36	-26	-10	-7	-4	:	-11	-18	-19	-18	-13	-14	-16	
	NL	-30	-55	-64	-64	-54	-19	8	18	-1	-11	-6	0	-7	-8	-7	-9	-7	-8	
	P	:	:	:	:	:	:	:	-5	5	12	11	7	11	4	4	-1	-5	-4	
UK	-33	-55	-62	-40	-23	-25	-37	-29	-4	5	3	0	5	1	-2	4	-2	-1		
— over last 12 months		EUR (c)	-22	-41	-51	-44	-37	-31	-28	-15	-14	-12	-12	-12	-13	-17	-18	-16	-17	-17
— over next 12 months	B	-29	-45	-51	-43	-38	-33	-17	-12	-9	-9	-6	-9	-14	-15	-8	-5	-12	-11	
	DK	-24	-42	-29	-23	3	6	4	-7	-15	:	-17	-5	-16	-17	-30	-25	-23	-23	
	D	1	-19	-33	-32	-14	-10	-6	3	-8	-10	-11	-6	-7	-16	-20	-22	-19	-17	
	GR	:	:	:	25	6	10	3	-13	-22	-22	-25	-22	-23	-22	-22	-13	-10	-11	
	E	:	:	:	:	:	:	:	3	-2	2	3	4	4	-3	-3	-3	-3	1	
	F (d)	-29	-40	-27	-23	-36	-45	-34	-18	-24	-24	:	-19	-20	-23	-21	-17	-15	-13	
	IRL	-26	-35	-38	-42	-45	-29	-26	-26	-29	-32	-28	-34	-29	-37	-29	-21	-20	-16	
	I	-19	-30	-30	-24	-25	-9	-8	3	-2	0	:	-8	-14	-13	-8	-3	-6	-6	
	NL	-26	-48	-42	-42	-28	-5	10	12	-8	-18	-12	-1	-16	-17	-14	-14	-9	-14	
	P	:	:	:	:	:	:	:	5	9	15	14	13	17	11	8	2	0	1	
UK	-16	-24	-23	-10	-5	-10	-16	-14	4	8	4	1	5	1	-1	2	-5	0		
— over last 12 months		EUR (c)	-16	-30	-30	-24	-21	-18	-14	-5	-8	-7	-8	-7	-9	-13	-12	-11	-11	-9
PRICE TRENDS	B	55	65	69	77	78	78	72	49	32	33	34	36	32	27	27	24	20	21	
	DK	39	50	51	48	26	26	26	10	0	:	1	-3	-3	-3	-1	0	4	3	
	D	25	44	52	46	23	15	9	-15	-14	-9	-9	-7	-7	-7	-2	-6	-7	-7	
	GR	:	:	:	15	30	24	26	39	42	42	43	41	42	41	43	27	24	28	
	E	:	:	:	:	:	:	:	46	35	25	30	30	34	33	35	29	30	26	
	F (d)	70	79	77	62	55	58	44	12	12	12	:	12	8	5	6	3	1	1	
	IRL	80	85	87	87	80	71	59	47	35	32	28	35	24	31	35	29	35	30	
	I	72	80	79	72	69	55	49	36	29	28	:	30	36	37	37	35	34	35	
	NL	43	62	68	63	43	41	22	-2	-19	-17	-16	-13	-14	-12	-12	-22	-19	-18	
	P	:	:	:	:	:	:	:	31	30	17	23	24	27	37	40	45	46	41	
UK	48	59	41	31	15	19	24	15	11	4	10	11	11	14	13	9	12	11		
— over last 12 months		EUR (c)	49	63	62	53	40	37	30	13	11	10	11	12	13	13	14	10	10	10
— over next 12 months	B	33	42	40	45	40	37	36	27	19	18	22	23	23	23	17	20	15	12	
	DK	29	38	31	31	12	16	15	7	6	:	5	-1	4	3	4	3	9	8	
	D	44	51	50	43	30	28	25	5	12	16	18	17	16	20	27	23	21	19	
	GR	:	:	:	25	37	38	42	44	47	46	48	47	47	45	47	34	32	35	
	E	:	:	:	:	:	:	:	19	18	12	16	15	21	18	22	15	15	13	
	F (d)	46	50	39	42	37	32	27	19	12	10	:	4	4	10	6	2	-2	-2	
	IRL	59	56	52	46	39	35	32	23	25	26	24	27	24	27	26	24	23	22	
	I	56	60	58	56	54	46	48	35	42	43	:	53	52	54	49	48	46	46	
	NL	48	61	52	50	38	25	17	6	2	8	10	7	17	6	9	5	9	6	
	P	:	:	:	:	:	:	:	14	17	9	8	10	18	29	29	27	29	22	
UK	34	43	31	29	27	40	43	32	36	33	37	37	39	45	39	39	45	41		
— over last 12 months		EUR (c)	44	51	44	42	35	35	32	20	22	22	23	23	25	28	27	24	23	22
UNEMPLOYMENT	B	42	57	67	60	57	44	37	33	35	36	36	37	35	33	27	26	35	31	
	DK	22	39	37	29	30	5	-4	1	29	:	35	21	34	33	50	39	40	34	
	D	3	20	43	43	30	20	16	4	19	20	24	23	23	27	37	37	36	33	
	GR	:	:	:	11	10	11	17	31	36	36	34	37	36	35	33	27	26	30	
	E	:	:	:	:	:	:	:	26	31	24	26	19	25	35	33	33	34	26	
	F (d)	44	47	43	30	41	62	50	33	39	43	:	29	39	27	25	24	29	30	
	IRL	12	34	47	56	67	52	48	45	45	50	49	57	50	51	46	42	46	42	
	I	41	51	52	56	57	49	47	39	40	40	:	43	41	46	45	41	44	46	
	NL	35	59	72	72	67	36	0	-11	8	16	17	10	11	15	12	25	22	23	
	P	:	:	:	:	:	:	:	27	15	6	8	9	7	16	13	15	17	13	
UK	30	58	50	34	37	32	35	32	7	2	3	8	-1	2	0	-3	3	1		
— over next 12 months		EUR (c)	27	43	48	42	41	38	32	23	26	26	27	25	26	27	28	26	29	27

TABLE 6 (continued): Consumer opinion on economic and financial conditions^(a)

		1979	1980	1981	1982	1983	1984	1985	1986	1987	1987						1988			
												July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March
MAJOR PURCHASES	B	30	23	15	13	6	6	-18	-26	-21	-24	-16	-22	-21	-19	-12	-11	-8	-9	
	DK	42	21	10	16	7	14	14	0	-15	:	-12	-21	-9	-17	-22	-3	-20	-27	
	D	25	18	-1	-17	-8	-9	-8	4	4	5	-1	7	4	2	0	2	0	-3	
	GR	:	:	:	-35	-35	-24	-20	-22	-36	-36	-29	-32	-35	-37	-34	-35	-34	-34	
	E	:	:	:	:	:	:	:	-27	-14	-2	-5	-7	-17	-13	-15	-11	-18	-15	
	F (d)	35	39	28	30	19	6	-4	-3	-8	-11	:	-12	-11	-5	-5	-1	-6	-5	
	IRL	46	30	24	13	-6	-9	-2	-10	-11	-5	-15	-11	-12	-17	-12	-6	-15	-8	
	I	-3	2	4	1	-13	-15	-15	-8	-8	-3	:	-14	-11	-10	-9	-9	-8	-7	
	NL	13	-2	-17	-21	-18	-44	-29	-6	-3	6	0	-8	-14	-15	-18	1	6	0	
	P	:	:	:	:	:	:	:	-28	-17	-14	-14	-15	-10	-7	-10	-26	-21	-22	
	UK	43	28	26	25	32	31	24	24	20	31	28	27	26	24	17	32	30	31	
EUR (c)		27	22	12	6	5	0	-3	0	-1	2	0	-1	-3	-2	-3	2	-1	-1	
— at present	B	-29	-26	-28	-28	-30	-28	-30	-28	-20	-19	-16	-18	-20	-19	-16	-20	-18	-15	
	DK	-8	-14	-12	-10	-8	-7	-8	-12	-11	:	-12	-11	-8	-11	-14	-11	-13	-13	
	D	-15	-19	-25	-28	-29	-28	-26	-20	-20	-20	-22	-19	-19	-22	-21	-22	-23	-21	
	GR	:	:	:	-24	-33	-38	-33	-42	-45	-51	-44	-42	-44	-47	-41	-40	-47	-51	
	E	:	:	:	:	:	:	:	-26	-23	-20	-19	-16	-23	-24	-24	-25	-21	-19	
	F (d)	-16	-18	-13	-9	-10	-10	-9	-3	0	-1	:	0	0	0	0	-1	0	0	
	IRL	-17	-19	-22	-27	-31	-25	-22	-20	-19	-17	-16	-14	-19	-16	-14	-16	-11	-17	
	I	-10	-17	-18	-22	-22	-21	-21	-21	-21	-21	:	-22	-24	-22	-20	-21	-21	-21	
	NL	-19	-23	-27	-27	-29	-27	-20	-15	-12	-13	-14	-12	-9	-10	-11	-11	-14	-10	
	P	:	:	:	:	:	:	:	6	5	-1	0	6	10	12	10	12	15	-2	
	UK	-6	-14	-19	-18	-15	-12	-14	-12	-10	-9	-10	-8	-8	-8	-10	-11	-12	-10	
EUR (c)		-12	-17	-20	-20	-21	-19	-18	-16	-14	-14	-15	-13	-14	-14	-14	-15	-15	-14	
SAVINGS	B	40	38	41	40	46	46	46	43	52	53	54	56	49	53	58	55	56	55	
	DK	11	15	23	26	40	41	50	46	50	:	49	53	55	52	47	59	46	42	
	D	46	43	32	27	33	38	41	44	43	43	46	47	48	31	32	29	30	29	
	GR	:	:	:	-25	-29	-20	-18	-31	-40	-43	-34	-39	-43	-37	-37	-41	-41	-44	
	E	:	:	:	:	:	:	:	36	43	40	49	46	41	49	45	45	46	42	
	F (d)	8	-3	-2	-5	0	6	11	12	20	21	:	22	25	17	18	22	21	23	
	IRL	8	5	-3	-9	-3	-8	-1	-3	-7	-19	-11	0	-8	-4	-4	-5	-5	-5	
	I	4	-6	-7	10	21	33	37	47	49	47	:	50	49	48	48	48	46	45	
	NL	19	19	27	38	35	34	41	48	50	48	44	53	51	51	49	56	48	50	
	P	:	:	:	:	:	:	:	-42	-27	-21	-19	-24	-16	-11	-30	-33	-34	-39	
	UK	-5	6	5	5	10	17	20	23	31	37	32	31	38	26	23	32	31	29	
EUR (c)		21	15	12	12	19	24	29	31	35	36	36	37	38	32	31	33	32	31	
— over next 12 months	B	-14	-20	-21	-25	-26	-27	-33	-9	-3	-4	0	-1	-6	-6	-5	0	-2	5	
	DK	-12	-20	-19	-18	-12	-11	-7	-6	-5	:	3	0	-8	-1	-13	-4	-5	-6	
	D	46	44	23	-2	1	3	3	11	13	14	11	15	12	14	10	11	11	10	
	GR	:	:	:	-37	-41	-39	-40	-47	-57	-59	-57	-55	-59	-58	-57	-53	-55	-47	
	E	:	:	:	:	:	:	:	-36	-35	-29	-30	-34	-38	-42	-36	-34	-36	-40	
	F (d)	-29	-32	-32	-32	-35	-37	-36	-31	-34	-34	:	-32	-34	-37	-35	-29	-28	-28	
	IRL	-11	-13	-19	-22	-25	-37	-28	-30	-31	-31	-40	-32	-26	-33	-34	-27	-27	-31	
	I	-34	-32	-30	-22	-27	-20	-17	-10	-6	-6	:	-5	-7	-4	-8	-4	-5	-7	
	NL	8	0	-1	-3	-8	-2	6	12	17	17	17	24	19	15	16	27	26	23	
	P	:	:	:	:	:	:	:	-39	-27	-18	-23	-27	-19	-10	-24	-27	-26	-31	
	UK	-4	-16	-20	-17	-13	-12	-14	-12	-6	-8	-2	-7	-6	-4	-4	-4	-6	-6	
EUR (c)		2	-4	-11	-17	-17	-16	-15	-11	-10	-10	-9	-9	-11	-11	-12	-9	-9	-10	
FINANCIAL SITUATION OF HOUSEHOLDS	B	12	9	7	6	5	6	5	13	14	13	14	13	14	12	14	17	15	16	
	DK	9	4	4	4	8	8	11	10	10	:	11	11	10	12	9	11	12	11	
	D	22	21	16	12	11	11	12	17	17	16	16	18	17	18	16	15	17	14	
	GR	:	:	:	0	0	2	3	1	-2	-1	-1	-2	-2	-3	-2	-2	-3	3	
	E	:	:	:	:	:	:	:	5	5	8	8	3	6	3	4	5	6	7	
	F (d)	10	8	8	8	6	4	3	3	0	2	:	0	0	-1	-1	0	1	2	
	IRL	8	2	-4	-1	-1	-1	-1	-1	-1	-2	-4	1	-1	1	1	0	1	-1	
	I	8	8	8	13	9	11	12	15	16	18	:	15	17	15	17	18	17	17	
	NL	22	19	18	17	15	13	16	19	19	18	16	22	18	20	17	23	21	19	
	P	:	:	:	:	:	:	:	2	8	12	8	7	11	7	8	5	7	5	
	UK	10	8	9	9	12	12	11	11	14	13	17	13	16	15	14	13	13	15	
EUR (c)		15	12	11	10	9	9	9	11	11	12	12	11	12	11	10	11	11	11	

(a) The sum of the replies for each Member State are weighted in the Community total with the value of consumers' expenditure.

(b) The indicator represents the arithmetic average of results for five questions, namely the two on the financial situation of the household, the two on the general economic situation, and that concerning major purchases at present.

(c) If monthly data are not available, the EUR-averages incorporate the most recent available results.

(d) Data of an experimental and provisional nature from June 1986 onwards; they do not involve the responsibility of the INSEE.

¹ The climate of consumer confidence is measured by an indicator based on five questions in the consumer survey. These are the questions relating to the general economic situation, the household financial situation and to major purchases of durable goods.² Quarterly data; percentage change on corresponding quarter of preceding year.³ Quarterly data; monthly from May 1986 onwards.⁴ Percentage changes on corresponding quarter resp. month of preceding year.⁵ See table 6 for data and notes.⁶ Seasonally adjusted.⁷ EUR 10 up to May 1986; EUR 12 from June 1986 onwards.

Source: European Community consumer survey.

Institutes carrying out the surveys

Country	Survey: Manufacturing industry	Construction	Investment	Retail sale	Consumer
Belgium	BNB Banque Nationale de Belgique	BNB	BNB	BNB	DIMARSO Gallup Belgium
Denmark	DS Danmarks Statistik	DS	DS	—	DS
Federal Republic of Germany	IFO Institut für Wirtschafts- forschung	IFO	IFO	IFO	GfK Marktforschung
Greece	IEIR Institute of Economic and Industrial Research	IEIR	IEIR	—	NSS National Statistical Service
Spain	MIE Ministerio de Industria y Energia	—	MIE	—	GALLUP Instituto Gallup and INTERCAMPO
France	INSEE Institut National de la Statistique et des Études Économiques	INSEE	INSEE	INSEE	INSEE
Ireland	CII and ESRI Confederation of Irish Industries and Economic and Social Research Institute	CIF Construction Industry Federation	CII and ESRI	—	AI Agricultural Institute
Italy	ISCO Istituto per lo Studio della Congiuntura	ISCO	ISCO	ISCO	ISCO
Luxembourg	STATEC Service Central de la Statistique et des Études Économiques	STATEC	STATEC	—	—
Netherlands	CBS Centraal Bureau voor de Statistiek	EIB Economisch Instituut voor de Bouwnijverheid	CBS	NIPO Nederlands Instituut voor de Publieke Opinie en het Marktonderzoek	CBS
Portugal	INE Instituto Nacional de Estatistica	—	INE	—	NORMA
United Kingdom	CBI Confederation of British Industry	BEC Building Employers Confederation	BSO Business Statistics Office	CBI	GALLUP Gallup Institute

Questions of European Community business and consumer surveys

Manufacturing industry

Monthly:

- estimate of production trend in recent months: up, unchanged, down ?
- order-books: above normal, normal, below normal ?
- export order-books: above normal, normal, below normal ?
- stocks of finished products: above normal, normal, below normal ?
- production expectations in the months ahead: up, unchanged, down ?
- selling price expectations in the months ahead: up, unchanged, down ?

Quarterly (January, April, July and October):

- employment expectations for the months ahead: up, unchanged, down ?
- limits to production: none, insufficient demand, shortage of labour, lack of equipment, others ?
- production capacity: more than sufficient, sufficient, not sufficient ?
- duration of assured production: in months ?
- new orders in the recent past: up, unchanged, down ?
- export volume expectations for the months ahead: up, unchanged, down ?
- capacity utilization: in % ?
- stocks of raw material: high, normal, low ?

All industries

Half-yearly (undertaken in March/April and October/November):

- investment trends and prospects: yearly percentage change of investment expenditure in current money values.

Building industry

Monthly (except for Denmark, Greece, France, Ireland and the United Kingdom, where the survey is carried out quarterly):

- current production compared with the preceding month: up, unchanged, down ?
- factors holding up production: none, lack of demand, bad weather, shortage of manpower, shortage of material and/or equipment, others ?
- order-books or production schedules: above normal, normal, below normal ?
- employment expectations in the months ahead: up, unchanged, down ?
- price expectations in the months ahead: up, unchanged, down ?

Quarterly (January, April, July and October):

- duration of assured production: in months ?

Retail trade sector

Monthly (France and Italy bi-monthly):

- we consider our present business (sales) position to be: good, satisfactory (normal for the season), bad;
- we consider our present stock to be: too small, adequate (normal for the season), too large;
- we expect that our orders placed on suppliers during the next (three) months, excluding purely seasonal variations, will be: up, unchanged, down;
- our business trend over the next six months, excluding purely seasonal variations, will improve, remain unchanged, deteriorate.

Quarterly:

- In the next three months, and compared with today, the number of persons we employ will: increase, remain unchanged, decline.

Consumer survey

Monthly:

- Financial situation of your household now compared to 12 months ago: a lot better, a little better, the same, a little worse, a lot worse, don't know.
- Financial situation of your household, prospects over the next 12 months: a lot better, a little better, the same, a little worse, a lot worse, don't know.
- General economic situation in the country now compared to 12 months ago: a lot better, a little better, the same, a little worse, a lot worse, don't know.
- General economic situation in the country, prospects over the next 12 months: a lot better, a little better, the same, a little worse, a lot worse, don't know.
- Price level now compared to 12 months ago: much higher, moderately higher, a little higher, about the same, lower, don't know.
- Price trend over the next 12 months: more rapid increase, same increase, slower increase, stability, slight decrease, don't know.
- Unemployment level in the country over the next 12 months will: increase sharply, increase slightly, remain the same, fall slightly, don't know.
- Major purchases (furniture, washing machine, TV, etc.) at present: yes, right time; neither right nor wrong time, should postpone; don't know.
- Major purchases next 12 months, compared to last 12 months: much more, a little more, the same, a little less, much less, don't know.
- Savings at present, a reasonable time to save: yes, certainly; yes, perhaps; probably not; certainly not; don't know.
- Savings by you or your household over the next 12 months: yes, certainly; yes, perhaps; probably not; certainly not; don't know.
- Financial situation of households at present - financial assets accumulation: borrowing, drawing on savings, just making ends meet, saving a little, saving a substantial amount, don't know.

Economic sentiment indicator

The economic sentiment indicator is a composite measure in which the industrial confidence indicator and the consumer confidence indicator are given equal weight, while the construction confidence indicator and the share-price index are attributed half the weight of each of the other two. The share-price index is included in the composite indicator in ratio-to-trend form, in order to separate short-term or cyclical variations from long-term increases in the value of shares. The long-term trend of the series is calculated using the NBER Bry-Boschan growth cycle programme. For a fuller description of the economic sentiment indicator and its components, see the technical note in the November 1982 issue of this Supplement.

Industrial confidence indicator

The industrial confidence indicator is an average of the responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

Construction confidence indicator

The construction confidence indicator is an average of the responses (balances) to the questions on order-books and employment expectations.

Consumer confidence indicator

The consumer confidence indicator is the arithmetic average of the answers (balances) to the four questions on the financial situation of households and general economic situation (past and future) together with that on the advisability of making major purchases. For a more detailed description of the consumer confidence indicator see technical note in the December 1982 issue of Supplement C.

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